



County of Los Angeles CHIEF EXECUTIVE OFFICE

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September 7, 2007

To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

SACRAMENTO UPDATE

Pursuit of County Position on Legislation

AB 1324 (De La Torre), as amended August 29, 2007, would clarify that a health maintenance organization or health insurer that authorizes treatment by a provider is prohibited from rescinding or modifying this authorization after the provider renders treatment for any reason, including subsequent cancellation or modification of the patient's contract, or upon determination that the patient's eligibility was not assessed accurately. AB 1324 specifies that the bill's provisions do not constitute a change in existing law.

Existing law prohibits an insurer that provides coverage for hospital, medical, or surgical expenses, and a health care service plan that authorizes treatment for services covered under a contract or plan, to rescind or modify this authorization after the provider renders the health care service in good faith. It also prohibits rescinding, canceling, or limiting a plan contract or insurance policy due to the plan's or insurer's failure to resolve all reasonable questions arising from the information submitted with an application before issuing the plan contract.

Support for AB 1324 is consistent with existing Board policy to support measures which require that cancellation of health insurance coverage must be prior to any authorization of services. Therefore, **our Sacramento advocates will support AB 1324 and**

encourage the Governor to sign this legislation. The Los Angeles County Commission on Insurance has also indicated its support of AB 1324.

AB 1324 is sponsored by the California Medical Association and supported by AARP, Adventist Healthcare Coalition, California Division of the American Cancer Society, American Lung Association, California Alliance for Retired Americans, California Chapter of the American College of Emergency Physicians, California Hospital Association, California Society of Anesthesiologists, Consumer Federation of California, Gray Panthers, Health Access California, and the Foundation for Taxpayer and Consumer Rights, among others. It is opposed by America's Health Insurance Plans, Association of California Life and Health Insurance Companies, Blue Cross of California, Blue Shield of California, California Association of Health Plans, Health Net, and Pacific Care.

The Assembly concurred in Senate amendments for AB 1324 on September 6, 2007. The bill now proceeds to the Governor.

Status of County Advocacy Legislation

County-opposed AB 81 (Torrico), which was amended in the Senate on September 4, 2007 to allow infants up to seven days old to be safely surrendered, passed the Senate on September 6, 2007, by a vote of 36 to 3, and now proceeds to the Assembly for concurrence in the Senate amendment.

County-opposed AB 213 (Fuentes), as amended on September 5, 2007, would prohibit an employer from objecting to the venue for the filing of an application of claims with the Worker Compensation Appeals Board for public safety employees. Amendments to date have limited the eligible employees to public safety employees and added an urgency measure that would provide for the effective date of the legislation to be upon signature of the Governor. CEO Risk Management staff advises that AB 213 would restrict the County, acting as an employer, to actively and efficiently defend its rights to adjudicate workers' compensation claims and undermine the Board's authority as an employer. Since the amendments to this bill have not addressed the County's underlying concerns, **our Sacramento advocates will continue to oppose AB 213.** This bill is being considered by the Senate Committee on Labor and Industrial Relations.

County-supported AB 298 (Maze), which would facilitate permanency for children placed under legal guardianship with a relative caregiver, passed the Senate on September 6, 2007 by a vote of 39 to 0, and now proceeds to the Assembly for concurrence with technical amendments taken in the Senate on August 29, 2007 and September 4, 2007.

County-supported AB 340 (Hancock), which would establish the Unified Resource Families Assessment Pilot Project in five volunteer counties selected by the California Department of Social Services to merge duplicative processes for licensing and approving foster families and adoptive parents, passed the Senate on September 6, 2007 by a vote of 32 to 6, and now proceeds to the Assembly for concurrence with technical amendments taken in the Senate on August 31, 2007.

County-supported AB 752 (Dymally), which would establish a mechanism to distribute stabilization funds among public hospitals in years three through five of the Hospital Financing Waiver, passed the Senate on September 5, 2007 by a vote of 38 to 0, and now proceeds to the Governor.

County-supported AB 1010 (Hernandez), which would extend the sunset date of the San Gabriel Basin Water Quality Authority (Authority) from July 1, 2010 to July 1, 2017, and require the Authority to provide updates and status reports on the management and remediation plan, passed the Senate Floor on September 5, 2007 by a vote of 38 to 0, and now proceeds to the Assembly for concurrence in Senate amendments.

County-supported AB 1470 (Huffman), which would enact the Solar Water Heating and Efficiency Act of 2007 to establish a new gas utility surcharge to fund a 10-year, \$250 million program to subsidize the installation of solar hot water heaters to offset the need for natural gas, was amended on September 5, 2007. The amendments would extend eligibility for funding to low-income residential housing occupied by ratepayers participating in a commission-approved and supervised gas corporation, Low-Income Energy Efficiency (LIFE) program, and who either occupy a single-family home, or occupy at least 50 percent of all units in a multi-family dwelling structure. This measure is currently on the Senate Floor pending a vote.

County-support and amend AB 1481 (De La Torre and Krekorian), which would require the State Water Resources Control Board (WRCB), on or before July 31, 2009, to establish general discharge permits for landscape irrigation projects utilizing recycled water for which the State Department of Public Health has set recycling criteria, and would authorize the WRCB to establish a reasonable schedule of fees to reimburse the WRCB for the costs it incurs in adopting and administering the general permit, passed the Senate Appropriations Committee on August 31, 2007, as amended, by a vote of 17 to 0, and now proceeds to the Senate Floor. Since the amendments further clarify the requirements for the general permit, the Department of Public Works recommends that the County support AB 1481. **Therefore, our Sacramento advocates will support AB 1481.**

County-oppose unless amended AB 1581 (Fuller), which would recognize a traffic-actuated signal as an official traffic control device and require upon its placement, or replacement of a loop detector of a traffic actuated signal, to detect lawful bicycle or motorcycle traffic on the roadway, passed the Assembly Floor on August 30, 2007 and

now proceeds to the Governor's Desk. The County was requesting that the bill be amended to limit the detection of bicycles to intersections along designated bike routes and to reimburse local agencies for all costs associated with the bill's requirements. **Since these amendments were not adopted, our Sacramento advocates will request the Governor to veto this bill.**

County-supported SB 145 (Corbett), as amended on August 31, 2007, would extend the deadline for the transfer of trial court facilities from the counties to the State from June 30, 2007, to December 31, 2008. SB 145 would require, for any transfer agreement executed between January 1, 2008 and June 30, 2008, the transferring county to pay the State an inflation adjustment based upon the local price deflator in association with the transfer. For transfers on or after July 1, 2008, the transferring county would be required to pay the State, on an annual basis, the greater of 1) the average annual costs incurred over a base period, as adjusted by the local price deflator; or 2) actual County costs incurred during FY 2006-07. SB 145 is pending a vote on the Assembly Floor.

County-supported SB 184 (Alquist and Correa), which would revise the way a local entity may be reimbursed by the State for advanced expenditures on a transportation project contained in the State Transportation Improvement Program (STIP) by: 1) limiting the reimbursement to projects programmed in the current year of the STIP; 2) requiring the local or regional entity to request an allocation from the CTC within 12 months of its first expenditure of local funds on a qualified project; 3) requiring the CTC to approve the project for future allocation should there be insufficient funds in the State Highway Account to allocate to a project; and 4) prohibiting the CTC from establishing a timeframe limiting reimbursement to a local or regional agency, passed the Assembly Floor on September 5, 2007 by a vote of 57 to 4, and now proceeds to the Senate for concurrence in Assembly amendments.

County-supported SB 776 (Vincent), which would allow county child welfare agencies to exchange criminal record clearances when a child in foster care moves with a relative or non-relative extended family caretaker from one county to another, passed the Senate on September 5, 2007 by a vote of 38 to 0, and now proceeds to the Governor.

We will continue to keep you advised.

WTF:GK
MAL:DD:IGA:acn

c: All Department Heads
Legislative Strategist
Local 721
Coalition of County Unions
California Contract Cities Association
Independent Cities Association